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Held at Headquarters, New York, on Monday, 8 July 2002, at 10 a.m.

President:	Mr. Kumalo (Vice-President)	(South Africa)
later:	Mr. Rosenthal (Vice-President)	(Guatemala)
later:	Mr. Kumalo (Vice-President)	(South Africa)

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(a) Progress report on the implementation of the triennial comprehensive policy review

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In the absence of Mr. Šimonović (Croatia), Mr. Kumalo (South Africa), Vice-President, took the Chair.

The meeting was called to order at 10.25 a.m.

Operational activities of the United Nations for international development cooperation (*continued*)

(a) Progress report on the implementation of the triennial comprehensive policy review (E/2002/47 and Add.1 and 2, 58, 59 and 60; E/2002/CRP.1)

1. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs), introducing the reports of the Secretary-General on progress in the implementation of General Assembly resolution 56/201 (E/2002/47 and Add.1 and 2), on United Nations system support for capacity-building (E/2002/58), on simplification and harmonization of rules and procedures for operational activities for development (E/2002/59) and on assessing the effectiveness of the operational activities for development of the United Nations system (E/2002/60), said that the reports were intended to be read in conjunction. The management process for implementation of the resolution had been set out in table form in E/2002/47/Add.2 for ease of review.

2. Increasingly, the operational entities of the United Nations system were being called upon to perform a more focused task based on the outcomes of major United Nations conferences, crystallized in the United Nations Millennium Declaration, and at the same time reflecting country priorities. A key need was to ensure the adequacy of resources. The commitment to increased assistance levels expressed in the Monterrey Consensus was only a first step. Given the present stress on development partnership, rather than development assistance, national capacity was crucial. The United Nations system could not achieve the Millennium development goals without a corresponding capacity-building effort at the national level.

3. In addition, the United Nations needed to do more to focus its efforts at the field level. True, progress had been made through the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF), and coordination with countries' own poverty reduction strategy papers had facilitated relations with the Bretton Woods institutions. However, greater efforts were needed to harmonize and simplify procedures, which constituted a heavy burden on developing countries. Lastly, a greater emphasis was being put on the impact of programmes, in other words, on measuring results, a topic dealt with in particular in the report on assessing the effectiveness of the operational activities (E/2002/60).

4. **Mr. Vallenilla** (Observer for Venezuela), speaking on behalf of the Group of 77 and China, said that United Nations operational activities, a vital tool for development, should be universal, voluntary and neutral, flexible enough to meet the needs of the developing country and in keeping with the country's own development policies and priorities. Since national Governments bore the main responsibility for coordinating operational activities, they should be fully involved in the formulation of the UNDAF, and the CCA should be used as a means to strengthen national analytical capacity.

5. The Group was strongly in accord with the Secretary-General's emphasis on the need to support developing countries in achieving higher development goals while adjusting to a continuously changing world and coping with the effects of the slowdown of the world economy. The commitment that had emerged from world conferences to an alliance for development to meet the challenge of capacity-building needed to be strengthened and made permanent through joint effort. The developing countries were making great efforts at the national level, and at considerable sacrifice, but donor countries must also do their part. Moreover, without an adequate international framework to help channel and realize those efforts, little could be accomplished. The intergovernmental effort required solid international institutions in support of development, a framework embracing not only the United Nations funds and programmes but also the Bretton Woods institutions and the World Trade Organization (WTO), as agreed in the Monterrey Consensus adopted by the International Conference on Financing for Development. Every effort should be made in particular to support national poverty reduction strategies.

6. The Group of 77 and China welcomed the unilateral commitments made at the Conference to increase official development assistance significantly. The stagnation or in some cases decline in core resources for operational activities for development

was worrisome. The lack of a sound financial basis would inevitably affect the ability of the system to confront the challenges to development, including the new challenges posed by globalization. An increase in funding earmarked for short-term or emergency activities could undermine countries' long-term development plans. The progress made with multi-year funding frameworks had raised expectations, which were yet to be realized. What was needed was a firm political commitment to achieving the development goals collectively agreed upon at recent United Nations conferences and embodied in the Millennium Declaration.

7. **Mr. Mizukami** (Japan) said that greater coordination was needed in order for the operational activities of the United Nations to contribute effectively, efficiently and tangibly to the realization of the Millennium development goals, which included new targets in terms of health, education, HIV/AIDS and the environment, in addition to the traditional goal of economic growth. His Government attached great importance to national ownership for development. Developing countries should formulate their own strategies and policies and implement them. Though ownership was not a panacea, sustainable development could not be achieved without it. The international community, including the United Nations, should provide assistance in a spirit of partnership.

8. Capacity-building played a critical role. In addition to its considerable financial contributions to the Human Resources Development Fund of the United Nations Development Programme (UNDP), his Government actively supported the development of human resources in developing countries by drawing on Japan's own development experience. His delegation expected each organization in the United Nations system to stress ownership and capacity-building in all its operational activities, with the ultimate objective of assisting recipient countries to develop the capacity to take them over and implement them on their own.

9. His delegation welcomed the efforts of the United Nations funds and programmes to harmonize their programming and simplify the rules and procedures, but it should be borne in mind that the purpose was to lessen the burden on the recipient country and increase efficiency. It would be counterproductive if programme implementation were delayed or greater transaction costs were incurred as a result of concentration on aid coordination. Some caution was required in attempting to simplify bilateral assistance, since too hasty a move might result in a decrease in bilateral assistance without a corresponding increase in multilateral assistance.

10. Ideally, proof of the effectiveness of operational activities would be the achievement of the Millennium development goals, but there were methodological problems in establishing a causal relationship. It was more practical to set clear targets and indicators for each programme and project, and to set common targets and do a common evaluation for joint programmes.

11. **Ms. Løj** (Observer for Denmark), speaking on behalf of the European Union and the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey, said that the United Nations system had made considerable progress in strengthening its capability at the country level to assist programme countries. Thanks to their normative expertise, operational mandates, neutrality and universal presence, the United Nations funds, programmes and specialized agencies were well placed to assist national Governments in attaining internationally agreed development goals. However, to achieve that ambitious development agenda, a collective endeavour by the entire international community was called for, and that recognition was reflected in the Monterrey Consensus.

12. The operational activities of the United Nations should assist national Governments to translate intergovernmental commitments into national development strategies. To measure the gradual realization of international development targets, benchmarks should be set at the national level, and those benchmarks could also be helpful in assessing the effectiveness of the operational activities. The European Union was very pleased with the outcome of the most recent triennial comprehensive policy review of operational activities for development.

13. The outcomes of international conferences and especially the Millennium development goals formed the basis for national poverty reduction strategies and for the UNDAF for a given country. An increasing number of developing countries were preparing poverty reduction strategy papers, which often became the overall framework not only for national development

efforts but for the supporting efforts of all bilateral and multilateral donors. The European Union was convinced that the United Nations system could add value in the preparation of the strategies. It believed that the CCA/UNDAF process should be firmly anchored in the principle of national ownership of development and fully integrated with the poverty reduction strategy papers, and it commended the United Nations Development Group (UNDG) for its efforts in that regard. In that light the European Union welcomed the World Bank's recent acquisition of observer status in UNDG and stressed the importance of reciprocal interest by the Bretton Woods institutions in the CCA.

14. The European Union strongly supported the efforts of United Nations funds and programmes to engage in joint programming and would welcome additional work on mechanisms for sharing funds. The programme of work as it stood was an ambitious undertaking, but the European Union also noted with great interest that some of the funds and programmes were, in addition, exploring the feasibility of joint offices in countries with a limited United Nations presence, and it would like to hear the results of the feasibility studies. The Union welcomed the central role of the UNDG Executive Committee in advancing the agenda of simplification and harmonization and looked forward to annual progress reports from the funds and programmes in that regard.

15. The Union subscribed to the recommendations contained in the Secretary-General's report on United Nations system support for capacity-building (E/2002/58), which would advance efforts to make capacity-building in the broadest sense the goal of technical assistance. Finding out what worked at the local level required an approach mindful of the specific national development context. Capacity-building had to be firmly rooted in national ownership, which was a sine qua non for sustainable development. Strengthening national capacities to achieve internationally agreed development goals should remain at the core of operational activities. At the session of the Council in 2004, the European Union would be interested in discussing proposals for benchmarks and indicators on capacity-building linked to the achievement of internationally agreed development goals, in line with the efforts to enhance results-based management. The results of the exercise should then be fed back into the programming cycles of the various agencies.

16. Although the European Union agreed with many of the principles presented in the Secretary-General's report on assessing the effectiveness of the operational activities for development of the United Nations system (E/2002/60), it would like further clarification on the purpose of such assessments and more practical proposals for increasing the usefulness of field-level assessments to the United Nations country teams and recipient Governments involved. The Union attached great importance to the continuous improvement of instruments of monitoring and evaluation as a means of ensuring that stakeholders forged tighter links between lessons learned and policy decisions. A wide range of actors within and outside the United Nations system should be involved. A participatory approach should be applied to all evaluation activities, so that findings could be incorporated. At the same time, external support and technical input would enhance credibility. In that regard the European Union would encourage increased collaboration with development research centres. The Secretary-General might wish to consider commissioning an independent study of the assessment capacities in the United Nations system, to be reported on at the next substantive session of the Council.

17. In general, the European Union would recommend strengthening linkages between the United Nations and the Bretton Woods institutions, particularly in aligning the CCA/UNDAF process with poverty reduction strategy papers; moving forward with the work programme on simplification and harmonization, particularly in terms of joint programming; developing specific benchmarks and indicators for capacity-building linked to the achievement of internationally agreed development goals; and reviewing the assessment capacity of the United Nations system.

18. **Mr. Akram** (Pakistan) noted that the triennial policy review had been adopted at a time of global economic downturn and a decline in the resources of the United Nations system for development. Despite the adoption of the Monterrey Consensus, the situation had not greatly improved.

19. The reports contained some useful proposals for increasing the effectiveness of United Nations operational activities. His delegation agreed that enhanced coordination at both the field and

headquarters levels was useful. However, not all agencies needed to coordinate with all others in all areas; the criteria of relevance had to be applied. Secondly, coordination bodies should avoid imposing priorities on national Governments. Pakistan, for example, was implementing a poverty reduction strategy paper; it had ownership of that paper because it had been formulated through the country's own structures. The United Nations funds and programmes should be in a position to provide help to developing countries that needed it to build the capacity to formulate their own strategies.

20. Coordination could be used as a tool for imposing external views. UNDG had grown in size and had shifted its focus from coherence to other issues, some of which were peripheral from the perspective of developing countries. His delegation felt that UNDG should concentrate on coordinating the activities of its member organizations, avoid expanding its bureaucratic structure, ensure transparency and be subject to oversight through periodic reports to the Council on its activities and expenditures and the results it achieved. At the country level, the UNDAF process should be conducted according to the principles of national ownership and full government participation in all stages and should be subject to intergovernmental oversight through a reporting obligation.

21. His delegation welcomed the efforts to introduce proper evaluation mechanisms but believed that assessments should be made against the development objectives of the country concerned and should be carried out by someone other than the implementing agency.

22. The key problem remained the inadequacy of the resources available to the United Nations system. There was a catch-22 mechanism operating whereby core resources were declining, undermining the smooth functioning of the development organizations, at the same time that donor countries were making increased funding conditional on the effectiveness of those organizations. Their effectiveness was further undermined by the trend towards pledging special-purpose funds at the expense of core resources. The identification of priority themes by donors constituted a prescriptive approach that negated the principle of ownership of development programmes. If ownership was a principle all could uphold, then resources should be made available to meet the needs identified by the recipient countries.

23. **Mr. Fedotov** (Russian Federation) said that, in order to reach the goals established in the Millennium Declaration and other landmark decisions, United Nations agencies would need to: further coordinate their activities; develop joint system-wide strategies; improve their operational activities at country level; enhance existing partnerships while developing new ones, especially with the private sector; and mobilize adequate financing. The key was to ensure country ownership and to mainstream programme activities into national priorities and plans.

24. Inter-agency coordination was improving: the network of field resident coordinators had been consolidated, UNDG had intensified and updated its activities at the office level, agency programmes and procedures had been harmonized and streamlined, cooperation with the Bretton Woods institutions was improving, particularly at country level, and the process was far from over.

25. He supported the continued efforts to incorporate, as appropriate, the CCA and UNDAF into country-level activities, with the active participation of as many United Nations agencies as possible and under the leadership of recipient Governments. However, he questioned the expediency of universal use of UNDAF, particularly in countries with low levels of programme resources. Further attention should be given to harmonizing programme cycles and guidelines for the development and approval of country programmes by streamlining and unifying them and reducing administrative and other costs.

26. He endorsed the promotion of greater cooperation with the Bretton Woods institutions on the basis of complementarity of effort and efficient division of labour with due regard for the relevant mandates and comparative advantages of the organizations concerned. Particular attention should be devoted to ensuring greater harmony between the CCA and UNDAF, on the one hand, and the Bretton Woods strategy papers aimed at combating poverty, on the other, and to integrating those instruments into national poverty eradication strategies. He noted with interest the Secretary-General's recommendation that the United Nations system should formulate proposals on benchmarks and indicators for capacity-building and report thereon to the Council by 2004 and that United

Nations system organizations should conduct a more systematic sharing of their experience (E/2002/58, paras. 36-37).

27. Recipient countries' capacities to monitor their programmes, projects and funds should be strengthened. Assessments should focus on progress in integrating operational activities into national development efforts and increasing the impact of United Nations activities at country level, taking global and regional aspects into account. He noted the important role of the Department of Economic and Social Affairs (DESA) in that regard. The expanding activities of the Organization's programmes and funds, in cooperation with other development partners, must be closely coordinated with national development plans and priorities and the entire process, including the preparation of reports, should be owned by the recipient Governments.

28. Lastly, in cases where disaster relief, rehabilitation and development overlapped, a coordinated approach to assistance was of the utmost importance. The current lack of comprehensive post-conflict rehabilitation strategies should be given priority consideration.

29. **Mr. Zhang** Yisan (China) welcomed the progress made by United Nations funds and programmes in mobilizing resources, preparing CCAs and UNDAFs and ensuring field-level coordination. However, the current level of core resources was still far from the target set in the multi-year funding framework. Normal development activities had been undermined and recipient countries' needs increased, while operational activities for development had gradually weakened. Unless that situation was corrected, it would be difficult to reach the goal of halving poverty by 2015. He hoped that the International Conference on Financing for Development, at which developed countries had expressed the desire to raise their levels of official development assistance (ODA), would inspire the funds and programmes to further efforts at resource mobilization.

30. Despite progress over a 20-year period, the process of simplifying and harmonizing rules and procedures governing operational activities for development was far from over. The complex procedures of, and lack of harmony among, the funds and programmes placed increasing burdens on recipient countries and contributed to inefficiency and skyrocketing costs. He hoped that further efforts would be made in that area and that past success in some sectors would be used to bring about change in the future.

31. Owing to the inequitable international economic and trade systems, the economic development of some countries had been slow and, in some cases, regressive. Most developing countries had high expectations of the operational activities for development of the United Nations system. However, the funds and programmes were crippled by insufficient core resources to the point that the interests of developing and least developed countries were being seriously harmed.

32. Lastly, he was pleased that the funds and programmes viewed capacity-building as an inseparable component of poverty eradication, economic growth and sustainable development. However, capacity-building was also country-driven, and each country's plan should be consistent with its local conditions and national characteristics.

33. **Mr. Palu** (Australia) said that his Government supported the Monterrey Consensus on the roles of governments, donors and international institutions in mobilizing and effectively utilizing all resources for development. Australia's aid budget for 2002-2003 was 3 per cent larger than that of the previous two-year period; however, it was crucial for developing countries to use their own financial resources effectively and to develop an enabling environment for the effective use of both international and domestic resources.

34. The stagnation in the provision of core resources and the growth in earmarked funding reflected a global trend to assess the performance of United Nations agencies more critically in the light of past performance and to require them to demonstrate their effective use of aid funds and their contribution to outcomes. United Nations agencies must ensure the maximum efficiency, effectiveness and relevance of their operations.

35. He welcomed the progress in reforming the United Nations system and endorsed the importance attached to national ownership and the efforts made to reduce the administrative burden on Governments. In particular, he commended the implantation of the CCA and UNDAF processes and efforts to harmonize programme approval processes, strengthen field-level coordination and the resident coordinator system and

enable United Nations agencies to share premises and administrative services in the countries concerned. He also supported efforts to enhance cooperation between the United Nations system and the Bretton Woods institutions.

36. However, more should be done to integrate the evaluation functions of the various agencies and funds in order to assess development outcomes for the overall United Nations system at the country level and to benefit from lessons learned by different parts of that system. Greater efforts must be made to achieve genuine gender equity and to ensure that gender considerations were fully integrated into all programmes and activities and that progress was reported. The CCA and UNDAF processes should take regional perspectives more fully into account and the work of the United Nations system should be further harmonized in countries where it had a limited presence. He encouraged moves towards joint offices and programming, particularly but not exclusively in countries where the total United Nations presence was not substantial, and urged consideration of genuine regional programmes in areas where limited funds cast doubt on the cost-effectiveness and impact of country-specific programmes.

37. **Mr. Siv** (United States of America) said that, while his delegation looked forward to the results of the improvements in the CCA/UNDAF process, he was not reassured by the Secretary-General's use of the conditional tense in describing the potential of that process (E/2002/47, para. 23). Some 101 CCAs and 53 UNDAFs had been completed at substantial cost to the United Nations system. Those tools could not be stand-alone exercises; they must relate to other development frameworks, including the poverty reduction strategy papers. He encouraged the funds, programmes and specialized agencies to ensure meaningful government participation and close consultation with other development partners.

38. It would be desirable for the CCAs to be able to identify the overall capacity-building needs of specific countries. In the past, capacity-building had not always been sustainable. Developing countries themselves must develop and maintain institutions capable of continuing transformation, and capacity-building must be an explicit goal with its own targets and indicators. It was easy to determine from the report of the Secretary-General on the management process for the implementation of General Assembly resolution 56/201 (E/2002/47/Add.2) what each agency did, but not whether there was cohesiveness in its activities; for example, it was not clear whether the capacity-building efforts of the Economic Commission for Africa in the area of poverty reduction were coordinated with those of UNDP. He recognized that the system operated at a variety of levels, but frameworks and methodologies could nonetheless be developed to allow United Nations agencies and other multilateral and bilateral development organizations to analyse their practices in order to strengthen their collective and individual impact.

39. Generally speaking, the measures put in place to support the resident coordinator system were working. Complaints centred on the absence of resident coordinators in post-conflict countries, where they were most needed. He realized that those posts were difficult to fill but hoped that every effort would be made to ensure prompt selection and installation. Theme groups were becoming the most effective vehicles for field-level coordination. The concern that their proliferation might lead to a focus on coordination at the expense of programme activities was well taken but could be addressed by effective leadership from the resident coordinator. An example of the advocacy potential of such groups was provided by his Government's Ambassador to Lesotho, who, together with the resident coordinator, chaired the donors theme group on HIV/AIDS.

40. The Millennium development goals had provided opportunities for increased cooperation between the Bretton Woods institutions and the United Nations system. However, it was important to consider comparative advantages in order to avoid duplication of effort. He supported UNDG efforts to guide country teams in relating country-level experience gained from the CCA and UNDAF to the poverty reduction strategy paper process and the long-term undertaking to better incorporate a gender perspective into United Nations strategies. Lastly, the regional dimension of development could not be underestimated, especially for landlocked countries and countries with shared water sources. He welcomed the workshops and other forums being held in order to familiarize regional commissions with the CCA/UNDAF process and encouraged further cooperation in that area and in capacity-building and conflict prevention.

41. **Mr. Toscano** (Observer for Ecuador) said that UNDAF would enhance coordination between United

Nations agencies, bilateral and multilateral donors, civil society, the private sector and non-traditional partners and would increase the impact of development cooperation. The simplification and harmonization of rules and procedures, the strengthening of the resident coordinator system, the promotion of South-South cooperation in the areas of economics and technology, and contact with others working towards the same goals had given UNDG agencies useful management tools so that they could coordinate with the development strategies and priorities of recipient countries.

42. However, the international community must realize that political support for development cooperation would be meaningful only if donor countries met the target of 0.7 per cent of gross national product in financial contributions to UNDP, the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and other United Nations agencies. Unless donors met the commitments made at the Millennium Summit and in the Monterrey Consensus, the international community would continue to mortgage its future to the debate on shared responsibility, which had had little real impact to date.

43. **Mr. Kolby** (Observer for Norway) said that the United Nations system had made progress in defining its role in international development cooperation and that General Assembly resolution 56/201 represented new and important challenges for the Organization.

44. Development cooperation must take a long-term approach to poverty reduction and conflict prevention and include human rights as an integral part of the effort. He welcomed the appointment of Mr. Mark Malloch Brown, Administrator of UNDP, as Chairman of UNDG and "scorekeeper" for the Millennium development goals, including democracy, human rights and meeting the specia. needs of Africa, and the support of the Bretton Woods institutions and WTO in planning a core strategy for meeting those goals.

45. All the funds, programmes and specialized agencies must participate actively in that process. Four of the goals concerned reproductive health, and he applauded UNFPA efforts to increase the focus on the social sector in national capacity-building and UNICEF advocacy to combat child mortality and safeguard children's rights. His Government had chosen education as its first development priority and was encouraged by the improved cooperation between the United Nations Educational, Scientific and Cultural Organization (UNESCO), UNICEF and the World Bank in that area.

46. His delegation had been a strong advocate of the Secretary-General's reform process with a view to preserving and reinforcing the distinctive nature of the funds and programmes, and it looked forward to the new reform agenda that was expected to be presented soon. In order to meet the time-bound Millennium development goals, the United Nations system would need a more coordinated approach than in the past. The ultimate goal was to ensure that the Organization's development activities were integrated into national poverty reduction strategies. Another fundamental issue was the further streamlining and harmonization of programming procedures. He welcomed the elaboration by UNDG of common guidelines on joint programming and joint mid-term reviews and encouraged agencies to further implement the triennial comprehensive policy review.

47. National ownership should be ensured through Government involvement in UNDAF, with the participation of the Bretton Woods institutions, as an ongoing process rather than an event. In many ways, institutional development was synonymous with capacity-building. His delegation welcomed the strengthened focus on a coordinated response to crises and national disasters and stressed that the funds and programmes should participate in existing humanitarian coordination mechanisms. UNDP was particularly well positioned to bridge the gap from relief to development; the United Nations Assistance Mission in Afghanistan was an example of such a situation.

48. Norway's commitment to the United Nations was expressed through its membership in the Security Council and its support for the development activities of the funds and programmes. The most immediate way to build confidence in those activities was for the Organization to demonstrate improved impact at the country level, but it could not do so without adequate contributions. He therefore urged non-performing donors to increase their core funding as agreed in the Monterrey Consensus.

49. **Mr. Al-Nasser** (Qatar) expressed his delegation's support for the 20 recommendations outlined in the report of the Secretary-General on the triennial

comprehensive policy review (A/56/320). It was to be hoped that their implementation would help developing countries cope with the economic and social consequences of globalization and increase their participation in the world economic order. To that end, poverty eradication should be the centrepiece of the activities of the United Nations development system.

50. In addition to responding to the most recent trends in the world economic situation, including globalization, liberalization and technological change, the operational activities of the United Nations system should be result oriented. Reports on the status and results of given operational activities, including financial statements, would be useful in that connection. Operational activities should not be imposed on recipient countries but rather designed with full respect for national ownership and input from Governments on national development needs. Harmonizing development activities with national priorities was the key to effective reform of operational activities and development cooperation. National priorities should be indicated by the Governments of recipient countries, operational activities should be closely linked to national development programmes and policies.

51. Although numerous initiatives had been undertaken to improve the efficiency of the funds and programmes, the basic problem — lack of financial resources — persisted. His delegation was concerned over the seeming preference of donors for supplementary resources over core resources, and the steady decline in the latter. It feared that development activities were becoming a very low priority in donor countries.

52. **Mr. Balarezo** (Peru) expressed support for the programme of work for the simplification of rules and procedures (E/2002/59, para. 1), and for the management process for the implementation of General Assembly resolution 56/201 (E/2002/47/Add.2). It was to be hoped that, in future, progress and results would be reported regularly and in detail. His delegation also supported the report of the Secretary-General on United Nations system support for capacity-building (E/2002/58), although it would have preferred a more systematic report with more precise information on results achieved and further proposals on strengthening capacity-building in developing countries. Clearly, institutional capacity-building must be an integral part of all operational activities, and there was a need for mechanisms to help retain capacity in recipient countries. Peru supported all three clusters in the outline for an indicative work programme set out in the report of the Secretary-General on assessing the effectiveness of the operational activities for development of the United Nations system (E/2002/60). The overall assessment must at all times be linked to an ongoing assessment of the resources and financing provided for operational activities. Without regular and predictable core resources to meet the requirements of recipient countries, it would be virtually impossible to attain the Millennium development goals or the goals of the recent International Conference on Financing for Development. Each of the three clusters of the overall assessment should have the same weight and importance, with special emphasis on sustained growth and sustainable development in cluster 3 on global and regional dimensions of operational activities.

53. Three points deserved particular emphasis. First, it was most appropriate that the achievement of the Millennium development goals should be evaluated not only at the national, but also at the international and regional levels. A subregional focus would be even more relevant and could be elaborated with input from the regional commissions and the regional development banking system. Second, his delegation attached great importance to the fulfilment of the programme of work for the simplification and harmonization of rules and procedures, which should be aimed at reducing transaction costs and achieving greater effectiveness and efficiency. It was not in favour of common-basket funding but would prefer to maintain flexibility in order to enable recipient countries to determine their own priorities and needs under their development programmes. National ownership should be the guiding principle of all external assistance, both multilateral and bilateral. Third, his delegation recognized the vital role played by UNDG in enhancing coordination of the activities of the agencies, funds and programmes. It attached great importance to the development by UNDP of guidelines for national progress reports on the achievement of the Millennium development goals and would appreciate information on the kinds of indicators to be used in evaluating progress at the national level, on whether the reports would be prepared in consultation with Governments and, above all, on the quality of the statistics utilized. Equally important was evaluation of progress at the international level, since achievement of the

Millennium development goals was a shared responsibility of all countries and of the international community. One of the Millennium development goals was policy coherence and coherence in trade, finance and monetary systems from a development perspective. In that context, the funds and programmes, including the UNDG Executive Committee, should participate in the Council's high-level segment with the Bretton Woods institutions and WTO.

54. UNDG should strengthen its ties with the World Bank and explore ways of coordinating its activities with regional and subregional development banks or, where appropriate, the International Monetary Fund (IMF), WTO and other international bodies. His delegation also hoped to see further strengthening of the resident coordinator system and believed that appointment and recruitment should be based strictly on professional ability and experience.

55. **Mr. Raubenheimer** (South Africa) stressed the importance of national ownership in the CCA and UNDAF processes, and of sufficient absorptive capacity and infrastructure in recipient countries to benefit from the development framework. Urging the speedy finalization of outstanding CCAs and UNDAFs, his delegation applauded the efforts taken to improve the preparation and quality of those instruments as well as the efforts of UNDG to enhance the overall quality and effectiveness of country-level coordination.

56. With regard to the resident coordinator system, his delegation hoped to see significant progress in the areas of training, gender balance and recruitment and tangible improvements in field-level coordination. In order to function effectively, personnel in the United Nations funds, programmes and agencies should be sensitive to the political and economic situations in the country and the region to which they were assigned.

57. The agencies, funds and programmes should help to bring about poverty eradication and sustainable development after enlisting the support of all levels of political authority. His delegation endorsed the recommendation that operational activities for development should be included in national development efforts but with the caveat that it was more difficult to implement programmes than to plan them. Sequencing was critical in programme implementation; without proper sequencing, an entire programme could become dysfunctional. Proper and regular evaluation would help detect problems early. South Africa also supported the concept of basing United Nations agencies, programmes and funds in a single United Nations house and welcomed the progress made in formulating guidelines in that regard.

58. His delegation agreed that capacity-building and its sustainability should be articulated as a goal of technical assistance provided by operational activities with the aim of strengthening national capacities (General Assembly resolution 56/201, para. 28). Capacity development should focus not only on the public sector but also on non-governmental and community-based organizations. It was important to maintain continuity and to find remedies for situations where human resource capacity was developed in a particular organization, only to be lost with the departure of staff members. Capacity-building also played a very significant role in the New Partnership for Africa's Development (NEPAD) in such priority areas as infrastructure, information and communication technologies, human resources and science and technology development.

59. The need for core resources on a predictable, and continuous and sustained basis remained. It was to be hoped that the positive spirit of the Monterrey Consensus would increase funding for the United Nations development system. Lastly, the effectiveness of operational activities should be assessed by their impact on poverty eradication, economic growth and sustainable development in recipient countries, as set out in the commitments, goals and targets of the Millennium Declaration.

60. *Mr. Kumalo (South Africa), President, resumed the Chair.*

61. **Mr. Chowdhury** (Observer for Bangladesh) said that his country had made impressive progress in the key areas of education, health, gender mainstreaming and empowerment of women, largely by harnessing its own intellectual resources for development but also with the active support of the United Nations system. Bangladesh had always believed that development policies should take into account the specific needs of countries and regions and that special attention should be focused on improving national capacity, responsibility and accountability. Thus, technical cooperation should focus on strengthening national capacities rather than using outside international expertise or procuring equipment tied to aid. In that connection, he stressed the importance of reversing the

decline in ODA, strengthening cooperation between the United Nations and the Bretton Woods institutions and ensuring greater consistency among CCAs, UNDAFs and poverty reduction strategy papers.

62. In view of the unique characteristics of operational activities, including neutrality, multilateralism and responsiveness to the needs of developing countries, it was his delegation's hope that the triennial policy review would address vital international issues equitably and in a democratic spirit. It also hoped that positive cooperation among the partners would lead to the expected impact at the country level, and that the effectiveness of operational activities would be assessed in terms of their progress in implementing the Millennium development goals, particularly in the areas of poverty, economic growth and sustainable development. Appropriate mechanisms should be developed for implementing the recommendations continued in the reports of the Secretary-General on capacity-building and on harmonization and simplification of rules and procedures for operational activities for development (E/2002/58 and 59). To that end, the Council should provide clear policy guidelines to the funds and programmes in accordance with its supervisory role.

63. **Mr. Gopinathan** (India) said that, while it was important for operational activities to adapt to a changing world, they must maintain and strengthen their fundamental characteristics of being country-driven and focused on national priorities. His delegation hoped that, despite resource constraints, interventions which addressed the human, physical and financial asset base of the poor would be preserved as aspects of capacity-building, thereby enabling recipient countries to experiment with innovative solutions, and generate solutions that could be replicated.

64. There was a risk that donors' most recent concept of capacity-building — advocacy, policy advice and monitoring — could be misconstrued by recipient countries. Advocacy for the purpose of encouraging changes in laws and social practices could be perceived as criticism of the countries of the South or as implying a moral superiority of the donor community. Advice from the outside was not always welcome because it highlighted the inequality of power and could become blurred with decision-making. Monitoring could be seen as finger-pointing and obliviousness to the scarcity of resources in recipient countries. Thus, a standardized approach to the term "capacity-building" would be acceptable only if it was broad enough to embrace the diverse requirements of developing countries. Anything less than that could deviate from the country-driven approach fundamental to operational activities.

65. His delegation hoped that the funding of development assistance would increase following the International Conference on Financing for Development, and that a substantial part of it would be delivered through operational activities. It could support the methodology and work programme for carrying out the overall assessment of operational activities (E/2002/60, sect. III).

66. **Mr. Mwakawago** (United Republic of Tanzania) expressed his delegation's full support for the statement made by the observer for Venezuela on behalf of the Group of 77 and China. Over the past 15 years, his country had been carrying out economic, social and political reforms with the aim of achieving sustained economic growth and poverty reduction. Its national strategic priorities for poverty reduction were reflected in its poverty reduction strategy paper and the Tanzania Assistance Strategy, which the United Nations system had agreed to use as the basis for the CCA and UNDAF. Implementation of those instruments, however, would not be possible without strong new partnerships and adequate, predictable and regular funding through an increase in the core resources contributed to the funds and programmes.

67. Despite budgetary constraints, his Government had increased its allocations for primary education, health and water and would appreciate support from development partners and other key stakeholders in meeting the Millennium development goals. Estimates based on a recent household budget survey already showed improvements in a number of relevant indicators.

68. His delegation agreed that capacity-building played a central role in operational activities and achieving the goals and commitments of the major United Nations conferences. In that context, support for the process of upgrading skills and imparting new skills in the developing countries, particularly the least developed countries, was urgently needed. As for the harmonization of the procedures of the funds and programmes at the field level, he expressed the hope that transaction costs for recipient countries would be

further reduced in order to maximize the effectiveness of the United Nations system at the country level.

69. **Mr. de Moura** (Brazil) said that his delegation associated itself with the statement made by the observer for Venezuela on behalf of the Group of 77 and China. He urged the Council to seize the opportunity for dialogue among development partners that had been created at the International Conference on Financing for Development, in order to ensure that Member States and the organizations of the United Nations system continued along the path of engagement, innovation and action in strengthening United Nations operational activities for development. The efforts of the developing countries to achieve sustainable development should be complemented by partnerships at the international level to ensure additional resources, technology transfer, access to markets in developed countries, and capacity-building.

70. Effective development cooperation required adequate, predictable and stable financial resources, but the first progress review of the implementation of General Assembly resolution 56/201 had shown that the decline in both ODA and the contribution of multilateral organizations had affected development activities in many countries.

71. His delegation welcomed the UNDG work plan of 2002 and the associated revision of the CCA and UNDAF guidelines with a view to integrating lessons learned from their recent evaluation. In the light of the enormous burden imposed on recipient countries and United Nations system organizations by the complexity and diversity of procedural requirements, it was imperative to simplify and harmonize rules and procedures. His delegation also recognized the progress that had been made in bringing about closer cooperation between the United Nations system and the Bretton Woods institutions and urged continued effort in that regard.

72. Technical cooperation was a vital instrument in enabling countries to make the transition to sustainable development. Brazil had been involved in technical cooperation with developing countries throughout the world, and his Government was convinced of its value. Further support for such cooperation from the international community and from donor countries in particular was urgently required.

73. In closing, he noted the contribution of United Nations programmes, funds and agencies to development efforts in Brazil, citing programmes in the areas of education and poverty eradication as examples of that positive relationship.

74. **Mr. Kazemi-Kamyab** (Islamic Republic of Iran) said that his delegation associated itself with the statement made by the observer for Venezuela on behalf of the Group of 77 and China. It called on the United Nations to continue to make poverty eradication the main pillar of its operational activities and urged the international community to devote part of the projected increases in ODA to strengthening the resource base for the operational activities of the United Nations system, as well as to supporting the multilateralism that was the cornerstone of international development cooperation.

75. In view of the major role of capacity-building in efforts to achieve poverty eradication, economic growth and sustainable development, his delegation welcomed proposals for benchmarks and indicators for capacity-building to be formulated collectively by the United Nations system and in collaboration with recipient countries. The Tehran Consensus of 2001 had stressed the supreme importance of technical and economic cooperation among developing countries with sustainable capacity-building as a key goal, particularly in the context of South-South cooperation. His country stood ready to work with all stakeholders to strengthen institutions, bridge the knowledge and information gap, and build broad-based partnerships. However, such partnership and cooperation should be viewed not as a substitute for but as a complement to North-South cooperation.

76. Finally, he stressed that in the coordination of operational activities, national Governments bore the major responsibility for coordination of all assistance and developmental activities, and their ownership of the programmes and projects should be ensured. To that end, programme countries should participate fully in all phases of the design, implementation, monitoring and evaluation of development programmes and projects.

77. **Ms. Henkin** (United Nations Population Fund) stressed that the Fund, as a member of UNDG, was fully committed to supporting programme countries in their quest to achieve the Millennium development goals. It contributed to the attainment of those goals through its country and inter-country population and development programmes, which were especially

aimed at those countries furthest from the goals contained in the Programme of Action of the 1994 International Conference on Population and Development. The Fund was the lead agency for the implementation of that Programme of Action, in which the linkage between population, sustained economic growth and poverty was made explicit. Progress towards the Millennium development goals depended in part on progress towards the 1994 Conference goal of achieving universal access to reproductive health services and education.

78. UNDG member organizations were vigorously implementing all areas of the triennial policy review and the Secretary-General's reforms. The Fund was pursuing results-based approaches and implementing a multi-year funding framework, as well as improving management to make efficient use of scarce financial resources by encouraging innovation, learning, accountability and transparency. While progress had been made in simplifying and harmonizing programming cycles, joint programming, and the preparation of country programmes and budgets, some duplication of effort remained among coexisting initiatives. The new CCA and UNDAF guidelines developed by UNDG in the past year were expected to facilitate greater streamlining and increased country ownership.

79. Progress in achieving international development goals hinged on adequate financing, and new hope had been offered by the Monterrey Consensus. However, even though ODA was expected to increase by a cumulative total of $30 billion between 2003 and 2006, the Fund was confronted with a shortfall in resources that had necessitated a cut in programming funds in 2002. Within the context of its Multi-Year Funding Framework, the Fund had striven to obtain multi-year pledges in order to ensure g eater stability and predictability in its resources. Nevertheless, income projections had fallen, and the UNDP/UNFPA Executive Board had adopted a decision stressing the Fund's need for strong political and financial support as well as increased, stable and predictable core funding if it was to fulfil its mandate effectively. The Board also encouraged all countries, in the spirit of the Monterrey Consensus, to further their support for the Fund by making increased funding available, in particular to the Fund's core resources.

80. **Ms. Fleming** (World Bank) said that, following the Monterrey Consensus, there was a need to enhance the synergies built into the new development agenda, achieve greater clarity regarding each player's role, and address the shortage of practical, implementable measures and solutions. Operational coherence and effectiveness could help mend political divisions and provide a clear framework in which policy could be delivered and resources used wisely and effectively. That operational coherence could best be achieved through action balanced with patience and deliberate caution.

81. In the light of evolving strategies for poverty reduction, the Bank considered it imperative to support countries in a coherent way, and it urged them to seek appropriate input, experience and expertise from the organizations of the United Nations system to bring coherence to the strategy development process. The Bank had joined other organizations in recognizing the need for implementable and measurable country-level operational programming that was fully in line with countries' development needs and had begun to assign greater numbers of its staff to country offices in pursuit of that goal. The Bank's observer role in UNDG had already allowed it to clarify its assistance to countries in their own frameworks and through the Bank's institutional instruments, as well as to bring coherence and joint technical expertise to the process of developing realistic implementation plans for the Millennium development goals.

82. In recognition of the need to ensure appropriate institutional and country-level monitoring and measurement of results, the Bank had begun to refine a results-based management framework to strengthen linkages among strategy, implementation and evaluation, and it viewed its partnership with the United Nations as indispensable to that effort.

83. Remaining operational challenges included clarification of the new grant commitments formulated in connection with the thirteenth replenishment of the International Development Association resources for new financing commitments, enhancement of country-level institutional relationships, and harmonization of programming and budget cycles. The several joint pilot projects and agreements undertaken could function as important sources for the Bank's evolving inter-institutional understanding.

The meeting rose at 1.10 p.m.